

ASSEMBLY BILL

No. 785

Introduced by Assembly Member Daucher

February 20, 2003

An act to add Chapter 3 (commencing with Section 435) to Part 1 of Division 1 of the Health and Safety Code, relating to long-term care services.

LEGISLATIVE COUNSEL'S DIGEST

AB 785, as introduced, Daucher. Long-term care service delivery models.

(1) Under existing law, long-term care services are available to eligible individuals pursuant to programs that include the Medi-Cal program and the Adult Day Health Care Program, under the administration of the State Department of Health Services, and the In-Home Supportive Services program, under the administration of the State Department of Social Services. Under existing law, counties have specified administrative duties with respect to these programs.

This bill would require the board of supervisors of each county to adopt one of 3 specified service delivery models for long-term care. The bill would identify the service delivery models as (1) the coordinated system of care, would described as a network of service providers that communicate through established protocols, under the administration of a lead agency or coordinating council designated by the board of supervisors; (2) the integrated service delivery system, which would streamline and consolidate the delivery of long-term care services under the administration of a single service agency designated by the board of supervisors; and (3) the capitated service delivery system, which would integrate the financing and administration of long-term

care and medical care services under the administration of a single service agency designated by the board of supervisors.

This bill would specify the components of each service delivery system, including the services covered by each system, evaluation criteria for eligible clients, fiscal requirements, and state and local responsibilities.

By changing existing duties of counties and imposing new duties, this bill would create a state-mandated local program.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. (a) The Legislature finds and declares as
2 follows:

3 (1) Since 1994, various stakeholders representing California
4 counties have met to consider a more integrated approach to the
5 delivery of long-term care services. Initially, the model under
6 consideration was an integrated, capitated model as set forth in
7 Article 4.3 (commencing with Section 14139.05) of Chapter 7 of
8 Part 3 of Division 9 of the Welfare and Institutions Code.

9 (2) It became clear that a capitated approach is not feasible for
10 all counties and that there were significant barriers to providing
11 services on a capitated basis for those counties that were willing
12 to assume risk.

13 (3) No “one size fits all” approach to service delivery exists.
14 The approach best suited to a particular county depends on several
15 factors, including the county’s Medi-Cal delivery system mode,
16 the degree of existing coordination among and between health and



1 supportive services, local economic and budget realities, and local
2 resources available to plan for and implement change.

3 (4) Case management, also known as care coordination, has
4 proved both to increase consumer satisfaction with services and to
5 reduce total expenditures for long-term care by avoiding or
6 delaying institutionalization. There are many models of case
7 management that range in intensity of client interaction. Most
8 home-based and community-based long-term care programs
9 provide some level of case management, although the degree
10 depends on the program and the level of client need.

11 (5) A coordinated system of care is suitable for a rural county.

12 (6) An integrated service delivery system is appropriate for
13 counties that do not provide Medi-Cal managed care for medical
14 services and that currently offer most of the home-based and
15 community-based long-term care programs and services required
16 by the model.

17 (7) A capitated service delivery system is appropriate for
18 counties that manage Medi-Cal services.

19 (b) Therefore, it is the intent of the Legislature in enacting this
20 act to develop three local delivery systems that take into
21 consideration the diversity of the counties in California,
22 particularly with regard to geographic size, population density,
23 and the models of medical care delivery systems already in place
24 in each of the counties.

25 (1) The goal of all three models of service delivery is to give
26 clients easier access to appropriate services and to avoid
27 unnecessary and costly institutionalization.

28 (2) Other goals include better linkage between medical and
29 supportive care, less fragmented delivery of services, local
30 efficiencies that come from better program coordination and
31 consolidation, and cost savings, and provision of a framework
32 within which each county can improve its delivery of long-term
33 care services.

34 SEC. 2. Chapter 3 (commencing with Section 435) is added
35 to Part 1 of Division 1 of the Health and Safety Code, to read:
36

1 CHAPTER 3. LONG-TERM CARE SERVICE DELIVERY MODELS

2
3 435. The board of supervisors of each county shall adopt one
4 of the models of long-term care service delivery specified in
5 Section 435.1, 435.2, or 435.3.

6 435.1. (a) The service model described in this section shall be
7 designated as the coordinated system of care.

8 (b) The goal of the coordinated system of care is to facilitate
9 consumer access to services and to provide services in a manner
10 that appears seamless to consumers. This system of care does not
11 require pooled funding or the consolidation of agencies providing
12 services. This system of care is characterized by a network of
13 service providers that communicate through established protocols.

14 (c) The program shall be administered by a lead agency
15 designated by the county board of supervisors or by a coordinating
16 council designated by the board, provided that the lead agency or
17 coordinating council has the authority to provide operational
18 oversight to the various programs within the county. The role of
19 the lead agency or coordinating council shall be to do all of the
20 following:

21 (1) Enhance communication between providers.

22 (2) Develop protocols for referral, care provision, ongoing
23 monitoring, and evaluation.

24 (3) Avoid duplication and unnecessary overlaps in service.

25 (4) Monitor consumer satisfaction.

26 (5) Consolidate and expedite information systems and client
27 tracking whenever possible.

28 (d) The range of services provided shall depend on the services
29 available in the community.

30 (e) A common assessment instrument shall be adopted for use
31 by all the agencies and programs within the county to determine
32 the level of services appropriate for each individual.

33 (f) Case management shall be provided on an as-needed basis
34 by each of the programs participating in the county network.

35 (g) Rates for services shall be determined at the state level and
36 each program or agency shall bill on a fee-for-service basis or shall
37 operate within a budget for services set at the local level.

38 435.2. (a) The service model described in this section shall be
39 designated as the integrated service delivery system.

1 (b) The goal of the integrated service delivery system is to
2 streamline and consolidate the delivery of long-term care services.

3 (c) The program shall be administered by a single service
4 agency designated by the board of supervisors. The agency may
5 be public or private. The role of the service agency shall be to do
6 all of the following:

7 (1) Provide case management for all clients within the county
8 who meet the eligibility criteria.

9 (2) Contract with various individual home-based and
10 community-based long-term care providers within the county to
11 provide services to clients.

12 (3) Coordinate with existing medical care providers as
13 appropriate.

14 (4) Develop information systems and data reporting
15 mechanisms.

16 (5) Set standards for service provision.

17 (6) Monitor consumer satisfaction.

18 (d) Each county shall ensure that a range of services is available
19 to clients and that clients receive these services, as appropriate,
20 based on an individual assessment of all of the following:

21 (1) Nursing facility services.

22 (2) In-home supportive services.

23 (3) Adult day health care services.

24 (4) Home health care services.

25 (5) Hospice services.

26 (e) Based upon the individualized client assessment, the
27 agency may arrange for or purchase any of the following services
28 in order to prevent institutionalization:

29 (1) Money management services.

30 (2) Social day services.

31 (3) Home repairs and modifications.

32 (4) Transportation to medical appointments and other
33 necessary services.

34 (5) Home delivered meals.

35 (6) Mental health therapy.

36 (7) Adaptive aides and medical supplies.

37 (8) Nonmedical home equipment.

38 (9) Respite care.

39 (10) Assisted living and residential care services.

40 (11) Adult foster care services.

1 (12) Protective supervision.

2 (13) Medication dispensers.

3 (14) Personal emergency response systems.

4 (15) Translation and communication services.

5 (f) The combination of services provided shall be based on a
6 comprehensive assessment of the client's status, including, but not
7 limited to, all of the following:

8 (1) Functional status.

9 (2) Mental status, including depression and level of cognition.

10 (3) Medication review.

11 (4) Medical evaluation or medical information review.

12 (5) Nutritional evaluation.

13 (6) Evaluation of rehabilitation potential.

14 (7) Housing evaluation.

15 (8) Asset and financial evaluation.

16 (9) Formal and informal support systems.

17 (10) Need for supportive employment.

18 (11) Values assessment, including religious beliefs.

19 435.3. (a) The service delivery model described in this
20 section shall be designated as the capitated service delivery
21 system.

22 (b) The goal of the capitated service delivery system is to
23 integrate the financing and administration of long-term care
24 services and medical care services.

25 (c) The program shall be administered by a single service
26 agency designated by the board of supervisors. The agency may
27 be public or private. The role of the service agency is to do all of
28 the following:

29 (1) Provide case management for all clients within the county
30 who meet the eligibility criteria.

31 (2) Contract with various medical service providers and
32 individual home-based and community-based long-term care
33 providers within the county to provide services to clients.

34 (3) Develop information systems and data reporting
35 mechanisms.

36 (4) Set standards for service provision.

37 (5) Monitor consumer satisfaction.

38 (d) The county shall do all of the following:

39 (1) (A) Establish a Long-Term Care Services Fund that shall
40 accommodate state and federal fiscal and auditing requirements.

1 (B) Identify a local entity to administer the fund. The entity
2 may be one that already exists or may be established for the express
3 purpose of administering the fund.

4 (C) Funds that may be transferred into the consolidated
5 Long-Term Care Services Fund shall include Medi-Cal
6 institutional care, the Medi-Cal Personal Care Services Program,
7 and the In-Home Supportive Services program and may include
8 funds received by the county from any of the following programs
9 and services:

- 10 (i) Multipurpose Senior Services Program.
- 11 (ii) Alzheimer's Day Care Resources Centers Program.
- 12 (iii) Linkages Program.
- 13 (iv) Respite Program.
- 14 (v) Adult Day Health Care Program.
- 15 (vi) Medi-Cal home health agency services.
- 16 (vii) Medi-Cal home-based and community-based waiver
17 programs.
- 18 (viii) Medi-Cal hospice services.
- 19 (ix) Medi-Cal acute care hospital services.
- 20 (x) Other Medi-Cal services, including, but not limited to,
21 primary, ancillary, and acute care.

22 (e) Each county shall ensure that a range of services is available
23 to clients and that clients shall receive any of the following services
24 as appropriate, based on an individual assessment:

- 25 (1) Nursing facility services.
- 26 (2) In-home supportive services.
- 27 (3) Adult day health care services.
- 28 (4) Home health care services.
- 29 (5) Hospice services.

30 (f) Based upon the individualized client assessment, the agency
31 may arrange for or purchase any of the services specified in
32 subdivision (e), in order to prevent institutionalization.

33 (g) The agency may negotiate rates with providers.

34 (h) Services shall be provided to any person residing within the
35 county who meets all of the following criteria:

- 36 (1) The person is Medi-Cal eligible.
- 37 (2) The person is functionally or cognitively impaired. For
38 purposes of this paragraph, "cognitively impaired" means having
39 an impairment caused by organic brain disorder or disease.
- 40 (3) The person is at least 18 years of age.

1 (4) The person needs assistance with two or more activities of
2 daily living or are unable to remain living independently without
3 the long-term care services provided pursuant to this article.

4 (i) The department shall pursue any federal waivers necessary
5 for the implementation of this section.

6 SEC. 3. Notwithstanding Section 17610 of the Government
7 Code, if the Commission on State Mandates determines that this
8 act contains costs mandated by the state, reimbursement to local
9 agencies and school districts for those costs shall be made pursuant
10 to Part 7 (commencing with Section 17500) of Division 4 of Title
11 2 of the Government Code. If the statewide cost of the claim for
12 reimbursement does not exceed one million dollars (\$1,000,000),
13 reimbursement shall be made from the State Mandates Claims
14 Fund.

